

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, DC 20268-0001

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Docket No. MC2002-3

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Experimental Periodicals Co-Palletization Dropship Discounts, 2002

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**COMMENTS OF  
OF ALLIANCE OF NONPROFIT MAILERS**

Because settlement of this case appears imminent, the Alliance of Nonprofit Mailers ("ANM") respectfully submits these comments.

ANM supports the innovative new discounts proposed in this docket, and intends to sign the parties' settlement stipulation within the next few days. The Postal Service and its senior management deserve credit for moving toward greater flexibility in rate setting through negotiated agreements and experimental proposals. The proposal at issue in this docket is a significant first step toward enabling periodical mailers to avoid needless costs by co-palletizing and dropshipping, thereby alleviating at least some of the rapid escalation of costs attributed to Periodicals mail in recent years. The proposal, if adopted, should lower the combined total cost of collecting, processing, transporting and delivering periodicals mail. Both mailers and consumers should be better off.

At the same time, however, ANM must emphasize that it regards the current proposal as only a partial step. ANM is particularly concerned that further attention be given to cost saving opportunities for smaller publishers and printers that may lack the volumes needed to qualify for the current proposals, but nonetheless may be able to generate significant cost savings through

unbundled work sharing activities (e.g., additional palletization with or without dropshipping).

In this regard, the questions posed in Chairman's Information Request No. 1 (issued October 11, 2002) urgently need empirical answers. ANM urges the Postal Service to determine, as quickly as possible, the cost differences associated with collecting, transporting, cross-docking and handling sacks vs. pallets. Besides the data collected in RPW reports and Library Reference J-100/R2001-1, ANM respectfully asks the USPS to conduct targeted studies of the cost differences between sacks and pallets and other weight and distance factors. Fairness to the publishing and mailing sectors, and the economic self-interest of the Postal Service, warrant expedited pursuit of these studies, and implementation of the results in further experimental rate and classification proposals, within the next twelve months.

Respectfully submitted,

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November 7, 2002

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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November 7, 2002